

**CITY OF ANNAPOLIS, MARYLAND**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
June 30, 2003

Exhibit 3

		Capital	Special	Total
	General	Projects	Revenue	Governmental
ASSETS				Funds
Cash and cash equivalents	\$ 3,204,977	13,226,858	144,691	16,576,526
Investments	9,808,029	-	-	9,808,029
Receivables, net of allowances for bad debts of \$196,703	2,023,282	177,872	45,791	2,246,945
Due from other funds	3,638,414	-	-	3,638,414
Inventories	126,206	-	-	126,206
Prepaid items	47,793	-	-	47,793
Total assets	<u>\$ 18,848,701</u>	<u>13,404,730</u>	<u>190,482</u>	<u>32,443,913</u>
LIABILITIES				
Accounts payable	\$ 805,599	827,086	7,527	1,640,212
Accrued payables and other liabilities	1,535,869	39,059	9,792	1,584,720
Obligation for vacation benefits, current portion	1,774,526	-	-	1,774,526
Deferred revenues	307,653	-	173,163	480,816
Escrowed funds	3,494,854	-	-	3,494,854
Total liabilities	<u>7,918,501</u>	<u>866,145</u>	<u>190,482</u>	<u>8,975,128</u>
FUND BALANCES				
Reserved for:				
Encumbrances	\$ 484,299	4,339,070	57,405	4,880,774
Inventories and prepaid items	173,999	-	-	173,999
Unreserved:				
Designated for subsequent years' expenditures:				
Capital projects	720,250	8,199,515	-	8,919,765
Capital improvement plan	6,344,000	-	-	6,344,000
Self insurance	499,150	-	-	499,150
Undesignated (deficit)	2,708,502	-	(57,405)	2,651,097
Total fund balances	<u>10,930,200</u>	<u>12,538,585</u>	<u>-</u>	<u>23,468,785</u>
Total liabilities and fund balances	<u>\$ 18,848,701</u>	<u>13,404,730</u>	<u>190,482</u>	<u>32,443,913</u>

**RECONCILIATION OF TOTAL GOVERNMENTAL FUND BALANCE TO NET ASSETS OF GOVERNMENTAL ACTIVITIES**

Total Governmental Fund Balances	\$ 23,468,785
Amounts reported for governmental activities in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.	27,546,623
The net effect of Internal Service Fund transactions.	663,457
Long term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.	<u>(21,644,806)</u>
Net assets of Governmental Activities	<u>\$ 30,034,059</u>

The accompanying notes to the financial statements are an integral part of this statement.